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Advertising Age

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Tropicana puts ad squeeze on foes

By NANCY GIGES

Tropicana Products, already 10 share points ahead of the pack in the $1.2 billion ready-to-serve orange juice market, is pouring 35% more ad dollars into the fight this year to support a new ad campaign.

The new effort, which will help bring ad spending to more than $15 million this year, is the first from Tropicana's new agency, Benton & Bowles, New York. The Beatrice Cos. subsidiary is set to break the multimedia campaign June 18 with an umbrella theme "Squeeze me with a glass of Tropicana," for Pure Premium and Gold 'n Pure varieties.

The company claims Pure Premium is the only major ready-to-serve orange juice not reconstituted with water from concentrate. Gold 'n Pure competes directly with Minute Maid and Citrus Hill brands.

According to Tom Thompson, senior vp at the Bradenton, Fla.-based marketer, the campaign for Pure Premium is designed to illustrate Tropicana's point of difference from competitors: "We come as close as possible to fresh squeezed in a ready-to-serve product."

Unlike the previous "Only one can be the best" campaign created by former agency MCA Advertising, New York, the new one focuses on taste, the "consumer yardstick for evaluating orange juice," Mr. Thompson said.

Research shows that the squeezing of the carton in new Tropicana ads has high recall, the company says.

The commercial opens at mealtime with Dad asking, "Somebody squeeze me a glass of Tropicana." Then as music and song begin, a carton of Tropicana is squeezed and poured into a glass. Mr. Thompson said research indicates that this device, seen several times during the spot, has high recall value.

The campaign for Gold 'n Pure will use the same visuals but different audio. The two items—one in a white carton and the other in an orange container—are not advertised in the same markets and often only one of the two is avail-

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Marks set for Yankee entrance

By ANGELA CHATBURN

LONDON—Marks & Spencer, one of the most successful clothing manufacturers and retailers in the U.K., will enter the U.S. for the first time next month.

The company plans to launch a trial run of knitwear at Lord & Taylor's New York department store and other Lord & Taylor-owned stores throughout the U.S.

Marks & Spencer—known as "Marks and Sparks" in Britain—said it has no plans now to open stores in the U.S. and will initially be selling only exported goods under its St. Michael label.

But British retail observers say the Lord & Taylor deal might be only the first step in an expansive

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Advertisers rapped on Lanham Act use

By NANCY GIGES

NEW YORK—In refusing to stop two competitors' advertising, a federal district judge here questioned whether the Lanham Act can be invoked in cases of disputed advertising claims (AA, Jan. 9).

Judge Gerard Goettel refused to grant preliminary injunctions against advertising for Chesebrough-Pond's Vaseline Intensive Care and Procter & Gamble's Wondra lotions. In his opinion, the judge wrote that the Lanham Act, under which this case was brought, was not addressed primarily to advertising and, in fact, was rarely invoked for several decades after its passage.

In recent years, however, that law has been invoked with increasing frequency, the judge pointed out, and this case tries to push the court further by calling on it to evaluate the standards for conducting tests used as a basis for comparative ad claims.

In theory, an argument could be made for creating standards, Judge Goettel said, but in fact, he expressed doubts about whether trial judges could fully comprehend such complicated scientific testimony.

On one hand, the judge played down advertising, calling it "a pervasive part of modern life. . .[that] most of us do not take too

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Dailey favored by Godfather's

By SCOTT HUME

Godfather's Pizza has ended a methodical, five-month agency search by naming Dailey & Associates, Los Angeles, as its new creative shop.

Dailey, an Interpublic Group of Cos. subsidiary, succeeds Rick Ellis & Associates, Santa Fe, New Mexico, which provided creative since Mr. Ellis resigned his partnership in Ellis & Guy, Omaha, Godfather's former full-service agency (AA, Dec. 5). Cole & Weber, Seattle, will continue to handle media buying for company-owned and some franchised stores.

Total advertising spending this year for Costa Mesa, Cal.-based Godfather's will be about $15 million, although Dailey will work on a creative-fee basis.

The selection of Dailey caps a lengthy, multistage evaluation for the 900-store Godfather's chain, which, under new parent Diversifoods, has been looking at new strategies to catch up with category-leader Pizza Hut (AA, May 7).

"Instead of asking what the agency thinks about the chain and its advertising, we wanted to know what specific people, who would be working on the account, think about Godfather's," vp-marketing Ted Murphy said. They also were asked to provide two reels, one with all work from '83, the other with what they considered their five all-time best creative efforts.

Some special-project creative from Dailey could appear by August, but the first full-scale campaign will not air until September.#

U.S. News staff awaits riches, answers

By DAVID SNYDER

WASHINGTON—Staffers, advertisers and competitors have few clues on what's in store once Mortimer Zuckerman, the Boston real estate mogul, locks up his $168.5 million buyout of U.S. News & World Report Inc.

At a crowded news conference this week, where nervous *U.S. News* staffers outnumbered working reporters, Mr. Zuckerman's only comment was that he will continue the publication's "rich and important tradition" and that the magazine's longtime editor, Marvin Stone, will remain at the magazine's helm.

Mr. Zuckerman stressed he wants to keep much of the U.S. News management team intact, but he did not elaborate on who would stay once the deal is approved by the employe-stockholders. Several of them, he noted, would become instant millionaires because of their holdings.

Employes, weighing the significance of Mr. Zuckerman's stated intentions, recalled his similar approach after he acquired the *Atlantic Monthly*—now the *Atlantic*—in 1981 and the subsequent resignations and firings, beginning with editor Robert Manning.

Mr. Zuckerman left his plans for U.S. News sketchy. While he said there are no drastic editorial changes in the works, *U.S. News* under his direction will place a stronger emphasis on graphics and will continue to "keep pace" with its readership.

"There was not a lot of grumbling," one staffer said of the proposal. "It's a pretty nifty multiple." The acquisition price is 57 times earnings.

Under provisions of the package, employe-stockholders will receive $3,000 in cash for each U.S News share owned. In addition, Mr. Zuckerman has agreed to buy out all shares held by company directors in a deferred compensation plan, giving each of the seven directors a $3.6 million bonus.

Aside from Mr. Stone, the fate of other top U.S. News executives re-

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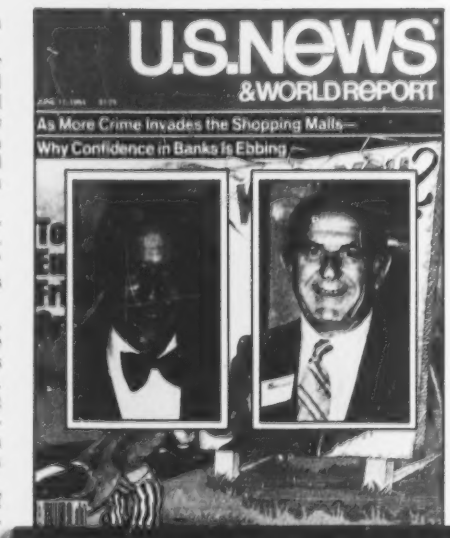

Staffers and observers alike are wondering what will happen to *U.S. News & World Report* under its new owner, real estate executive Mortimer Zuckerman (left). This week's sale of the U.S.' third-best-selling newsweekly was expected, but its future course is uncertain. But longtime editor Marvin Stone (right), came out a big winner, maintaining his position and in line to benefit financially from the sale.

NEWSPAPER

The South is rising.

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Advertising Age

Magazine

June 14, 1984

8 Using ethnic images—an advertising retrospective
Almost since its earliest days, American advertising has used ethnic images. An exhibit at the Balch Institute for Ethnic Studies in Philadelphia shows both positive and negative symbols.

12 Comparing notes on agency salaries
Dick Wasserman's survey of headhunters, agency personnel directors and certified public accountants outlines some salary ranges for advertising agencies' creative and account people.

Special Report

Total Market Coverage

17 Newspapers, shared mail digging in
Total market coverage can be a retailer's dream come true. But the retailer has to decide whether to use newspaper or shared mail programs to reach 100% of the area.

18 Paper carriers transmit *Newsday's* success
Newsday's carriers deliver the paper's total market coverage vehicle, contributing to its success in reaching the market.

20 *Post-Dispatch* enters turbulent waters
February marked the launch of *YOU*, the *St. Louis Post-Dispatch's* effort to reach nonsubscribers. *YOU* faces tough competition from a powerful chain of free-circulation weeklies.

26 Many ad agencies cool to coverage
An advertising agency's client list, the effectiveness of newspaper representatives and the awareness of media executives influence how involved an agency becomes in the use of total market coverage.

Total Market Coverage report coordinator: Eileen Norris
Illustration above: Tom Herzberg

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To our readers

From time to time, it's entertaining and informative to just look at a portfolio of advertising or to stroll through a gallery of ads—good and bad—from the past to the present. It's even more rewarding if the exhibit is tied together by a theme.

Such a display is currently on exhibit at the Balch Institute for Ethnic Studies in Philadelphia, and the collection is our lead Magazine feature this week. The display is called "Ethnic Images in Advertising," and it contains some 300 advertisements, including posters, magazine and newspaper ads, trade cards and tv storyboards.

The story of the Balch Institute is an interesting one in its own right. It was established out of the proceeds of a trust set up by Emily Swift Balch and her two sons, Edwin Swift Balch and Thomas Willing Balch. Under the trust agreement, when assets grew large enough, which they did in 1957, the trustees would set up an institute for the benefit of the city.

The various courts and public bodies involved decided there was a need for an institute to study ethnicity. The Balch Institute was chartered in 1971 and opened its doors in 1976. It contains archives, a library and a museum.

The Balch Institute is in downtown Philadelphia.

Gail Stern, curator of the museum, says response to the ethnic advertising exhibit, which is co-sponsored with the Anti-Defamation League of B'nai Brith, has been overwhelming.

There is enough interest to take the show on the road after it closes at the Balch Institute on Sept. 7. There are already 11 bookings for the exhibit—New York, Long Island, Palm Beach, Boca Raton, Miami, Atlanta, Birmingham, Columbia, S.C., Memphis, Dallas and San Francisco.

Marion Elmquist
Editor

Letters

Changing the mix

In your special report on "The Nation's Top 35 Market Research Companies" (May 17), an unfortunate typesetting error has created an impression of National Analysts that I wish to correct.

More than 80% of National Analysts' revenues in 1983 were derived from commercial clients, with the remainder attributable to government agencies and other not-for-profit institutions. There was a period during the 1960s and early 1970s where the majority of our work consisted of survey research for federal agencies. Since that time, our staff's focus on industry and functional specialization has led to steady growth in strategically oriented marketing research for commercial clients, thereby dramatically changing the mix of our business.

Marshall G. Greenberg
President
National Analysts
Division of Booz Allen & Hamilton
Philadelphia

Morality not at issue

The article "Without a plan, the carrots just dangle" (Premiums and Promotions, May 10) contains a typo. Frankel & Co. pre-tests premiums with *mall* intercept interviews, not "moral intercept interviews." Researchers are probably about as moral as anyone, but so far we haven't introduced morals into any of our pre-tests!

I also would like to correct the impression that may have been left that it's impossible to measure the motivational value of premiums. As one of the few marketing services agencies with its own research department, Frankel & Co. has often evaluated effectiveness with controlled market tests, payout analyses and opinion surveys with the trade and consumers.

Marji Simon
Director of marketing research
Frankel & Co.
Chicago

Frequent flying

I read with interest Kurt Hoffman's "Airlines Soaring With Frequent Fliers" (Premiums and Promotions, May 10) and found it very informative. However, I was disappointed to read about American's claim of launching the "prototype" frequent flier program. While American, the alleged "founder of the frequent flier frenzy," was still pondering the development of its program, Western Airlines was running a successful frequent flier program in 16 cities.

For the record, the first major airline to launch a frequent flier program was Western Airlines. It was created by Western and McCann-Erickson (Los Angeles) in 1980. Called Western's $50 Travel Pass, it was first introduced on the Los Angeles to San Francisco route in May, 1980. The program proved to be highly successful, and within one year Western had expanded the program to 16 cities and more than 40 flight segments.

It's interesting to note that American began working on a frequent flier program in mid-1980, after Western had successfully launched Travel Pass. The creation of the industry's first frequent flier program was so successful that the American Marketing Assn. awarded Western a 1980 MARSY Award for its pioneering effort.

Mark T. Dennett
Senior director
advertising & sales promotion
Western Airlines
Los Angeles

Thrifty's success

Your feature, "Rental car giveaways a blowout" (Premiums and Promotions, May 10), is a good example of simplistic distortion. The headline would have been much more accurate had it been a little longer: "Rental car giveaways a blowout to most rental companies."

We were pleased that you featured the premium ad of our client, Thrifty Rent-A-Car System, but the article failed to quote a line of the interview made with a Thrifty spokesman when the article was developed.

For the record, Thrifty's phone promotion successfully achieved its purpose, which was twofold. The phone premium attracted a high proportion of new customers who had not heard of or tried Thrifty's service prior to the offer. Just as important is the selection of the phone as the premium; it supported and emphasized our continuing theme of "Call on Thrifty."

Jack B. Harwood
Senior vp
Advertising Inc.
Tulsa, Okla.

Magazine

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Postal rate increases deliver latest skirmish

By Gary M. Levin

The direct-mail business and the newspaper industry are involved in a steamy battle over postal rate increases that each says the other should have to face.

On one side, direct-mail companies say some newspapers take unfair advantage of generally lower second-class rates to mail their shoppers, the common term for advertising vehicles delivered free by newspapers to their nonsubscribers.

Meanwhile, newspaper publishers complain that third-class mail users often are subsidized by other mailers. They argue that direct-mail companies such as Hartford, Conn.-based Advo-System benefit unfairly from rates that make it more profitable to mail several pieces with a single address label.

The dispute likely will intensify through the summer. The Postal Rate Commission must decide in September how to structure its latest round of across-the-board rate increases.

Gary M. Levin is a marketing reporter for Crain's Cleveland Business.

In recent months, the American Newspaper Publishers Assn. has denounced what it considers favoritism in the U.S. Postal Service's third-class mail rates. "The fact is that first and second-class mailers have long recognized that if they're going to mail something that weighs more, they're going to have to pay more for it," says W. Terry Maguire, ANPA's vp-general counsel.

The ANPA takes issue with third-class mail rates that allow companies to mail up to 4 ozs. of preprints for the same price as 1 oz. It also says Advo-System's detached label address card—with paid advertising on the back—should not get a free ride through the mail, and argues instead for a discounted third-class rate.

The direct mailers respond with cries of foul play and say the detached label makes their product easier for the post office to handle.

"They still have the lion's share [of insert business], and now they want all of it," says Robert Huse, executive director, Mail Advertising Service Assn. International, an industry trade group. "They specifically went after Advo on the detached-label issue. The Postal Service approved the technique, and ANPA went to the Postal Rate Commission and said it was unfair. In some shared mail, the ad on the back of the address card makes it break even."

"If you start giving permission to anybody putting anything into your mailbox, you would truly be getting a lot of junk."

—Robert Huse

Jack Valentine, president, Advo-System, called ANPA's latest proposal "punitive and self-serving," and said the third-class rate increases sought were aimed at pricing shared mail programs such as Advo's out of existence.

"I don't think they'll succeed because their proposals are too transparent to be adopted," Mr. Valentine says. "And if they were [adopted], the odds are good, based on history, that newspapers would take advantage of higher third-class rates to raise their own rates."

Advo proposed a new subclass of nonaddressed mail in March to skirt the detached label issue, suggesting a separate rate for circulars with no label that could be delivered to the Postal Service's distribution centers. But the rate commission declined to consider that proposal, saying it had no authority to consider such a far-reaching plan in a normal rate hearing.

Some within the direct-mail industry are against such a subclass of mail. "We're absolutely, unequivocally opposed to that," Mr. Huse says. "If you start giving permission to anybody putting anything in your mailbox, you would truly be getting a lot of junk."

The dispute over who should pay how much for what is complicated further by what even a spokesman for the Postal Service called its "enormously convoluted" rate structure.

Basically, the Postal Service says, second-class mail is reserved for timely publications with at least 25% editorial material, while third-class rates apply to advertisers mailing catalogs and circulars. The gray area comes when newspapers use total market coverage vehicles as adjuncts to their regular editions.

To qualify for second-class postal rates, the post office stipulates that at least half the copies go to households that have paid for or requested the

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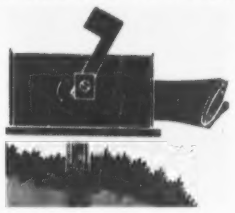

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Postal

(Continued from Page 30)
publication.

Some papers reportedly lump their TMC circulation together with the paid newspaper's to qualify the TMC vehicle for the lower rate.

The newspaper industry's involvement in setting rates puts it on thin ice as far as direct mailers are concerned, especially since a December jury verdict found a Virginia publisher guilty of a "willful attempt to monopolize" the local print advertising business.

That antitrust case involved the *Newport News Daily Press* and *Times Herald*, both owned by Daily Press Inc. A jury ruled the paper had set ad rates for its *Smart Shopper* TMC vehicle artificially low and awarded the plaintiff, Ad-Vantage Publications, $1 in slap-on-the-wrist damages. At issue in the case was how the cost of preparing a TMC should be allocated to its publisher, and whether a company could continue to sustain a new product despite mounting losses.

"Some bad law could emerge from this decision if it is allowed to stand," says Norman L. Freeman, general manager of the Virginia papers. He says the case will be appealed this summer.

"We never felt the relevant product market was clearly defined," Mr. Freeman says. "All print advertising seemed to be included, and I don't think the court ever fully grasped that Advo and other direct mailers are in competition with newspapers."

Despite what he says were losses of $1,000 a week in its first 15 months of operation, however, Mr. Freeman says he would have lost $250,000 a year in r.o.p. and shopper business from major advertisers had he not provided a TMC package.

"You can't make every product stand on its own," he says. "And we kept them [advertisers] from going to Advo."

Now, however, Daily Press charges advertisers the same-cost-per-thousand rates for the 53,000-circulation shopper as it does for its two daily editions, whose combined circulation its twice that figure.

As for cost allocation, the court agreed with Mr. Freeman's contention that existing labor and equipment costs would be paid by the newspaper whether or not it published a TMC shopper.

The Postal Service takes a different view on allocating its costs and pricing structure, and says the labor-intensive nature of its business makes the time spent sorting mail the determining factor of its price.

"It's simply untrue that third-class mail is being subsidized by first-class," a Postal Service spokeswoman says. "Rates are set strictly on a cost basis."

Current rates allow direct mailers using several pieces with a single address label to send 4 ozs. of mail at $74 per thousand, the same rate that applies to a 1-oz. mailing.

While the Postal Service proposes an increase in that figure to $95, the ANPA wants to shift some of the overhead costs now assigned to first-class pieces over to third-class. It also suggests charging Advo and others 5 cents per detached label card, while lowering the per-ounce rate to 6.9 cents.

Mr. Maguire of ANPA says the narrow gap between first and third-class delivery schedules contradicts the ever-widening gap of rates assigned to both classes. He says the low rates now charged by direct mailers ultimately may affect the success of future antitrust actions against newspapers.

A 'class' struggle of its own

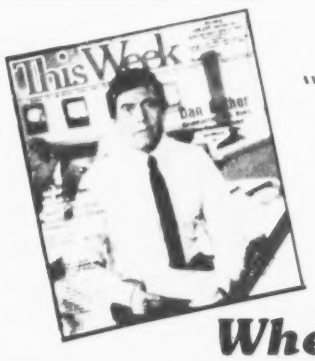
Total revenues of the post office by class of mail, 1983

Class of mail	Number of pieces	Weight	Revenue/% of total
First	64.2 billion	2.3 billion lbs.	$14.2 billion/75%
Second	9.2 billion	3.5 billion lbs.	$958 million/5%
Third	40.7 billion	5.0 billion lbs.	$3.67 billion/19%

Sources: Mail Advertising Service Assn., U.S. Postal Service.

"... if they're going to mail something that weighs more, they're going to have to pay more for it."

—W. Terry Maguire



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